

SONOMA COUNTY HOUSING 101

A TOOLKIT FOR UNDERSTANDING AND TACKLING
SONOMA COUNTY'S HOUSING SHORTAGE

IDENTIFIED BARRIERS
POTENTIAL SOLUTIONS
IDEAS FOR PROGRESS

A project from:

MAP

ONE
Sonoma

United Way of the Wine Country

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Executive Summary

Sonoma County—like much of California—has struggled with a shortage of housing for many years. Government, business, non-profits, and community coalitions have worked diligently to create more housing opportunities in Sonoma County, especially after the 2017 Tubbs Fire destroyed some 5,300 homes. These efforts have produced important momentum and process wins, including:

- Catalyzing new coalitions and organizations;
- Reducing entitlement times for targeted housing types in some jurisdictions;
- Sparking heightened levels of developer interest; and
- Raising the prospect of new public subsidy and financing sources.

Nevertheless, the pace of housing production remains inadequate to meet the need. There are many reasons for this lag, including the fact that many types of housing developments remain financially infeasible, given the particular economic dynamics of Sonoma County’s housing market. Furthermore, a succession of post-2017 emergency situations like floods, the Kincade, Walbridge and Glass Fires, public safety power shutoffs, and COVID-19 have consumed great amounts of the community’s and public officials’ attention. Stagnant household incomes relative to home prices and the lack of appropriately zoned land also contribute to the slow pace of construction.

Despite the often-stated aspiration to work collaboratively for housing, would-be developers and other housing stakeholders face a number of barriers:

- Inadequate coordination amongst those pushing to create more housing opportunities;
- Systemic racism that leaves immigrants and people of color out of important design, planning, and decision-making tables;
- Limited inter-jurisdictional effort or capacity to coordinate planning, prioritization, and financing activities that could set the stage for increased development;
- Community coalitions creating and advocating for their hyper-local vision; and
- Vestiges of past political and community divisions that sometimes interfere with the trust necessary for the kind of genuine collaboration and compromise required for progress.

MAP OneSonoma (M1S) is an initiative designed to overcome such barriers. Its aim is to elevate racial and economic equity and increase the strategic coordination amongst the various sectors working to strengthen Sonoma County’s resilience and economic well-being. Over the last three years, M1S has engaged close to 200 community leaders and subject matter experts to understand the ecosystems that drive the economy, health, and prosperity of the area’s residents and those that hold us back. Over the course of the project, the lack of housing, and the depth of Sonoma’s housing disparities, arose as one of the most important issues to address by most M1S participants.

This Toolkit explains the economic and policy landscape that has influenced Sonoma County’s housing shortage. Its purpose is to educate community leaders across sectors on the state of

Sonoma County’s housing shortage, the barriers to development, the ways in which institutional racism is woven through it, and possible solutions. The Toolkit relies on a sampling of current literature¹, learnings from promising work that arose after the 2017 fires, as well as ideas being tested elsewhere. Based on the underlying economic and cultural barriers facing the county, it proposes a menu of possible action steps that—taken together—have the potential to bring greater housing development to bear.

The Toolkit is organized as follows:

Introduction: The Nature of the Problem describes the scope of the problem and why MAP OneSonoma has a special focus on housing.

Housing Economics 101 outlines the basics of housing’s economic inputs, provides a bit of history for how the inputs are influenced by the market and government and sets the context for the reasons that housing development is challenging. It also offers a primer on Sonoma County’s current housing market.

Racism in Housing shines a light on some of the historical and institutional biases that have shaped today’s inherently unequal and unjust housing system.

Recommendations for Consideration outlines five key strategy areas for consideration and associated potential action steps that—if taken together and coordinated locally or regionally—could accelerate production. It provides some local context, examples, and resources.

Appendices contain a list of resource material as well as the background information on M1S.

¹ [Appendix A](#) contains a partial list of resources that have informed Sonoma County’s housing policy discussions and this report.

INTRODUCTION: THE NATURE OF THE HOUSING PROBLEM

Sonoma County's housing shortage has been considered a "crisis" for nearly a decade. Its causes have been well-documented and analyzed by reputable economic firms, anti-poverty advocates, philanthropists, elected officials, regional governments, and real estate professionals. The 2017 North Bay wildfires that destroyed 5,300 homes in Santa Rosa and Sonoma County and successive disasters increased urgency for all concerned. Ways to address the shortage have been hotly debated, and numerous public- and private-sector coalitions and organizations have made serious attempts to influence the pace of new home construction.

And yet, development of new supply continues to significantly lag need and demand across all housing types and income levels.

The detrimental impacts of inadequate supply are numerous:

- Disparities in wealth, income, and housing security are becoming more pronounced.
- Long commutes exacerbate climate change.
- Household budgets are squeezed, increasing overall family instability and impeding academic achievement.
- Overcrowded households are suffering from higher rates of COVID-19 transmission.
- An increasing number of people are experiencing episodic homelessness.
- Businesses struggle to recruit and retain employees.
- The county's population of working-age families is declining.
- The proportion of people aged 65 and over is increasing, putting pressure on health care, service industries, and the social safety net.
- Declining local tax revenues are decreasing responsiveness of government services.
- State and Federal pass-through of funding that is based on population is declining.

These impacts compound and effectively create a downward economic and social spiral recognized by leaders and community members alike. Opinion surveys demonstrate that affordable housing and homelessness rank among the top issues of concern for a high proportion of residents. California's governor and legislative assembly continually put forward policy and funding packages in an effort to empower locals to build more homes, and many of these are starting to bear fruit in a number of jurisdictions, if not yet Sonoma County.

Given the combination of institutional inertia with a relentless assault of new challenges, including disastrous wildfires and flooding, public safety power shutoffs, the climate crisis, COVID-19, and an ongoing economic crisis, systemic solutions remain elusive.

Of the many housing-focused agencies and collaborations that exist in Sonoma County, two, in particular, were formed with philanthropic support in direct response to the post-2017 housing challenges in the region:

1. Generation Housing (Gen H)² is a new independent non-profit formed with the sole purpose of advocating for housing development in Sonoma County. Gen H will focus efforts on direct advocacy for pro-housing policy and endorsed projects, public education, public will-building, and cross-sector convenings to promote new housing development.
2. The Renewal Enterprise District (RED)³ is a Joint Powers Authority whose founding members are the City of Santa Rosa and the County of Sonoma. Its purpose is to work across jurisdictions to accelerate the pace of targeted housing production by marketing to and attracting developers, blending private financing and public funds, leveraging state and federal grant funds, and facilitating the creation of housing that meets established public policy goals. Those goals align with those of M1S: increased density and access to transit; protection of open space and community separators; improved energy efficiency, climate resilience, and affordability; and advancement of equitable access to housing.

² Learn more about Gen H [here](#).

³ Learn more about the RED [here](#).

HOUSING ECONOMICS 101

This Toolkit has been created to educate the participants of M1S and other community leaders on the issues related to our housing challenges, the barriers slowing progress, and potential solutions. It offers an overview of the ways in which economics and the social/political landscape have contributed to the current state, offering insights into the numerous complexities inherent in the system and ideas for collective action.

Because this Toolkit focuses on ways to increase the pace of housing construction, it does not address policies related to rent regulation, eviction, or homeowner-specific income protections (even though production and renter protection are linked in many ways). [North Bay Organizing Project](#) and [Sonoma County United in Crisis](#) are two local organizations focused on renter and homeowner protection issues.

Housing—whether market-rate, below-market-rate, or even public housing—is produced by private sector developers. Government intervenes with policy, regulations, and financing tools to direct and/or constrain new construction. It most often falls to *local* government to influence developers to build in ways that meet a given community’s aspirations.

Real estate developers and their investors are not captive in a community. During a housing crisis, and particularly against the backdrop of disaster response and recovery, developers will make rational economic decisions about where to deploy their assets. If land costs, labor availability, neighborhood opposition, regulatory hurdles, or other barriers are unfavorable in one place (i.e., add risk, timing uncertainties that translate to costs), they can look elsewhere for more certainty and profitability. If the economic motivation to produce housing does not occur naturally, governments at all levels should pursue opportunities to create conditions that change cost structures and thereby promote desirable development.

Economic Inputs

Effective strategies are those informed by the economics of real estate development and that drive behavior and choices about risk and return, and thus the supply of available homes. Land, labor, material, and capital are the core building blocks—the economic inputs - of housing and community development. These core building blocks are subject to a multitude of both market-based and non-market forces.

Figure 1 summarizes the variables that influence these economic inputs. In order for any developer, whether for-profit or non-profit, to increase supply by undertaking development activities, the total costs for all of the inputs must be less than the achievable rents or sales prices of the end product. In the case of “affordable” or publicly subsidized housing, many of the variables become more complicated and expensive.

Understanding economic drivers and their associated inputs sheds light on what motivates or inhibits construction. This Toolkit will not attempt to explain all assorted variables and drivers but rather briefly explain the relevance of a few and otherwise highlight the sheer complexity of the economic and political environment in which housing construction takes place.

ECONOMIC INPUTS

with factors influencing Availability & Cost of the Input

Land

- Inventory of buildable/redevelopable lands
 - Residentially zoned
 - Under-utilized retail/commercial
 - Surplus public land
 - Other (religious, fraternal orders)
- Land use, zoning; general and specific plans
 - Parking requirements
 - Infill; density; WUI avoidance
 - Design Review
- Site conditions, contamination, mitigation
- Neighborhood receptivity, public will

Land 2.0—Public Infrastructure

- Municipalities' infrastructure financing tools
- Impact fees/systems development charges

Land 3.0—Permits

- Local government policy and fee structures
- Local government operational capacity
- Duration of entitlement and permitting processes, uncertainty of successful outcome
- Potential for CEQA litigation

Labor

- Availability of skilled workforce
- Area wages
- Housing availability (including affordability) for workers

Materials

- Overall demand, including from other places
- Supply chain elasticity
- Pace of innovation, i.e., for net-zero homes or alternative construction methodologies; modular and factory-built

Capital (Financing)

- Anticipated market demand/sales and rental prices
- Interest rates
- Risk tolerance of regulated banks
- Appraisal standards
- Ongoing operating costs that impact debt capacity
- Equity markets and required rates of return
- Tax policy
- Access to non-regulated investment capital willing to tolerate more risk
- Predatory or subprime loans

ADDED VARIABLES & CONSIDERATIONS

for regulated, Publicly Funded Affordable Housing

Land

- Increased organized opposition
- Low-income communities concentrated in high poverty areas and in areas with environmental risks
- Must build more in high-opportunity neighborhoods to address historical inequities and fair housing
- New state laws easing the use of public land for affordable housing and encouraging density
- Faith-based organization and civic institutions often have excess land

Land 2.0

- Transit, sidewalks, bike paths aid with mobility; help score points

Land 3.0

- Fee concessions possible for affordable
- Property tax exemptions

Materials

- Public funders may require climate-smart technologies
- Innovation discouraged in competitive funding cycles and securing tax credit equity and regulated debt partners

Capital (Financing)

- Area median income that dictates rents, max debt, capital needs
- Community Reinvestment Act (CRA)-motivated capital; CDFI's
- Land contributions that reduce need for other capital
- Access to non-regulated, risk-tolerant patient capital/free money
- (Churches, pension funds, philanthropy, health systems, employers)
- Complexity of public sources: lengthen development timing, increase risk, add to overall costs, and involve separate political considerations
 - New sources of State funding
 - Tax credit equity markets
- Need to secure operating/services funding to house certain groups
- Voucher availability; project-basing coordination
- Local gap funds and local coordination



Figure 1

A Deeper Look at Select Inputs

Land

Land use is the most important and most complex input for housing. State and local governments regulate the development of land through long-range planning, environmental protection, provision of streets and utilities, health and safety codes, and permitting. These regulations are necessary for obvious reasons: ensuring the protection of landscapes and ecosystems, managing expensive infrastructure, and otherwise safeguarding the health and well-being of communities and their residents.

The ways in which land-use rules are implemented at the local level can vary widely. For this reason, it is hard to generalize about the degree to which issues like allowable density, parking requirements, impact fees charged to offset infrastructure costs, and even cycle times for obtaining permits impact land costs. But it is fair to note that each step in the regulatory process does add time, risk, and costs.

City councils, county boards of supervisors, planning commissions, design review boards, and cultural or heritage boards are all-powerful actors in the land use planning arena. Their role in promoting or stalling development is discussed further in *Recommendations for Consideration*, below.

Additionally, municipalities, including schools, water districts, public works, and transportation departments, among others, often own surplus land suitable for housing development. Recent changes in state law are intended to make this “surplus” land more readily available for development of affordable housing in particular⁴. Churches, fraternal orders, and other entities often also have well-placed property they no longer need; those institutions are often unfamiliar with the best avenues for disposition.

For this analysis, the costs of permitting are categorized within the input of land (“Land 3.0” in the table above). In recent years there has been advocacy for reducing impact fees and other costs of

permitting a development. The City of Santa Rosa, the County of Sonoma, and other cities and towns have taken steps to reduce fees and expedite their entitling processes in direct response to such advocacy, recognizing that it is one of the important contributors (inputs) to construction costs.



Santa Rosa City Council slashes development fees for downtown housing projects

Santa Rosa Press Democrat, September 25, 2018

Materials

Builders compete globally for many of the raw materials necessary for homebuilding, and the costs of raw materials have risen steadily. Trade negotiations certainly play a role, and in the last year, lumber

⁴ Assembly Bill 1486 (Ting) 2019

tariffs have had an impact on prices. The basic formulas for multi- or single-family construction have not changed significantly since the post-war building booms of the 1940s and 1950s. Alternative construction methodologies like modular and factory-built, as well as materials that hold promise for reducing both upfront and ongoing costs, reducing cycle times, and mitigating climate impacts, are on the rise. These alternatives could be pursued with more intention and focus on managing cost escalation while testing the limits of consumer preference and lenders' confidence.

Capital

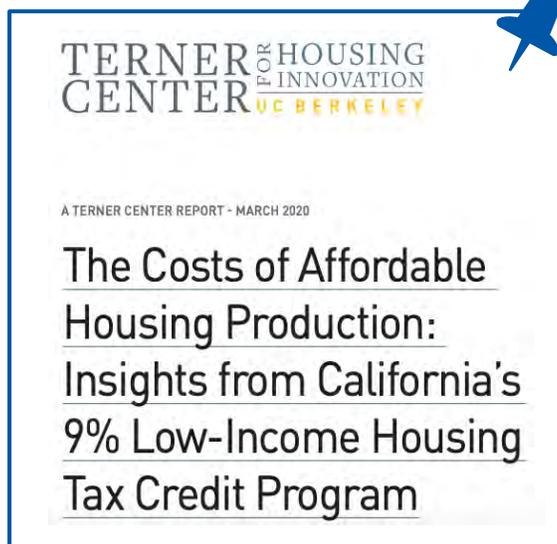
As an economic input, capital (money and financing) contains its own complexity. The table in Figure 2 details some of the factors that influence the cost and availability of funds needed to construct new homes. Interest rates, tax policy, and the lending industry all contribute to the complexity and volume of variables. Note that the availability of capital necessary for affordable housing finance is significantly more complex insofar as it relies heavily on public resources.

For the better part of the last century, government at all levels has used various finance tools to build, subsidize, or otherwise incentivize housing production. In California, Redevelopment was a major source of local financing until it was eliminated a decade ago. Today, most affordable housing projects depend on the federal Low-Income Housing Tax Credit, a scarce resource allocated on a competitive basis through a complex system. A key aspect of the competition involves demonstrating commitments of other competitive funds, especially from local government. Each public funder brings its own requirements for income targeting and rent levels, and each mandates a certain level of assurance that requirements are being met.

In the interest of stewarding public dollars, layers of compliance reporting and monitoring accumulate quickly. According to The Turner Center at UC Berkeley, "...(o)n average, every additional source of funding on a project is associated with an increase of \$6,400 per unit, or 2 percent, in total development costs. While small in comparison to some of the other variables in the model, it nevertheless can translate to significant costs. A project with eight rather than four sources of funding will cost on average \$24,000 more per unit, though it is also possible that more expensive projects require more funding sources."⁵

As discussed further under *Recommendations for Consideration*, the costs of capital can be influenced in a variety of creative ways. For example, public, private, and philanthropic dollars can be structured into transactions to mitigate risks for conventional lenders and thus lower the cost of borrowing and unlock needed loan funds.

⁵ See the Turner Center Report [here](#).



Sonoma County Housing Market

In Sonoma County, the economics of housing development are challenging. Input costs are nearly as high as in other desirable Bay Area markets. But sales prices and rents, while at historically high levels, lag places like San Francisco and Santa Clara County. This means that changing “developer math” needs to include even more creativity than in some other places in the region.

Beacon Economics⁶ analyzed the impacts of the 2017 fires on the housing market relative to jobs and employment trends, and in early 2018 estimated that some 26,000 additional homes—including replacement of the 5300 homes destroyed - would be needed within three years. Beacon further noted that the pace of new home permits would need to accelerate to 6500 per year to achieve this balance; actual permits have been well below 1000/year for a decade and have yet to accelerate at the scale or pace needed.

Bay Area Council Economic Institute⁷ studied the local post-fire housing market and similarly found that new production is significantly lagging demand. It found that home and rental prices have been on the rise in Sonoma County since 2003, but the median household income has fallen between 2003 and 2016. Various measures of housing affordability show that with median home prices now in excess of \$600,000, homeownership is out of reach for most young working families. Those in the rental market must earn \$34.31/hour to afford an average two-bedroom apartment in Sonoma County, according to California Housing Partnership⁸.

WHO CAN AFFORD TO RENT (2020) [↓](#) [?](#)

| Renters need to earn **2.3 times** minimum wage to afford the average two-bedroom asking rent in Sonoma County.



Figure 2: California Housing Partnership Housing Needs Dashboard

⁶ See the Beacon Economics Report [here](#).

⁷ See the BACEI Report [here](#).

⁸ See the CHP Dashboard [here](#).

Figure 2 shows the magnitude of the affordability gap, comparing rent to minimum wage and to the incomes available to workers in various sectors. This analysis relies on the assumption that households should spend no more than a third of their income on housing to avoid being “rent-burdened.” In fact, rent consumes so much of the typical tenants’ incomes that too little is left for other needs like food, healthcare, transportation, or school events and clubs.

RACISM IN HOUSING

As Sonoma County and the entire country face a reckoning over race, it is important to explicitly acknowledge some of the ways in which people of color have been impacted by the institutional racism that has shaped the economic inputs described above. Discrimination in the regulation of land, labor, material, and capital markets are now more squarely in the spotlight as a result of nationwide calls for racial justice. Indeed, there is growing recognition of the ways in which disproportionality in wealth and income are a direct result of historic and systemic racism in zoning, banking, and the real estate industry. Many policymakers and community leaders are acknowledging the need to tackle these long-standing inequities.

At a certain level, racist outcomes in housing in Sonoma and elsewhere are created by the communities’ collective lack of willingness to build at scale homes that are affordable by design for the current generation of would-be homeowners that is more diverse.

As a social determinant of health, housing is essential to the stability and prosperity of families. When children have security and stability at home, they do better in school. When neighborhoods offer easy access to groceries, jobs, open space, and services, the health outcomes of those neighborhood residents are strong. When local governments use disaggregated data to understand how homelessness impacts racial and ethnic groups differently, more effective solutions to permanently housing vulnerable populations are offered. And when real estate agents and mortgage brokers do their jobs without bias, people of color have better access to wealth-building and long-term stability offered by homeownership.

Without question, housing is fundamental to the social and economic systems in which we all exist. As noted above, government at all levels has long intervened in the private market mechanisms that produce homes. The GI Bill, Federal Housing Guarantees; Mortgage Interest Deduction; and building codes are examples of government playing a role in housing. What is now widely understood is that those interventions baked bias directly into lending, appraising, and zoning: key inputs to homebuilding. What is also clear is that government simultaneously tolerated discrimination in related sectors like leasing, construction trades, environmental protection, and more.

Two historic federal laws—the Civil Rights era’s Fair Housing Act and the Community Reinvestment Act—have made marginal progress in softening the impacts of long-standing inequities. Federal disinvestment in housing dating back to the Reagan era effectively shifted responsibility to state and local jurisdictions. As our current crisis demonstrates, states, cities, and counties are unprepared and/or under-resourced for the task of regulating and incentivizing how, where, and for whom

housing is provided, even though most people agree that housing is essential. California's housing imbalances are particularly stark against the backdrop of COVID-19, forcing the issue to the top of mind for elected officials and much of the public. This is good because it means relief is on its way. But if solutions are implemented without full recognition of how a century of public policy led us to this moment, unintended consequences are sure to follow, and underlying race-based barriers could be perpetuated.

This Toolkit offers context and some insights into strategies that could begin to address inherent inequity. It also acknowledges that much deeper work will be required to fully understand which levers are most relevant to communities of color. Leaders and policymakers will need to make time and space to listen to and be led by impacted communities more than they have historically.

RECOMMENDATIONS FOR CONSIDERATION

The goal of M1S is to drive enduring systems change towards a more resilient, inclusive, and sustainable Sonoma County using shared values and collective action. The RED, Gen H, and others are already acting on many of the important levers needed to induce more housing development. In order to amplify and build on that work, the following five key strategies have been identified. These strategies and the associated action steps tie together existing and ongoing work with best practices taking place elsewhere. Several recent publications and convenings focused on Sonoma County, and the larger Bay Area region (enumerated in Appendix A) were consulted in the preparation of these strategies and possible actions. They were not, however, prioritized, nor have responsible parties been identified. Rather, the intent is to treat them as a menu from which local groups convened by Gen H and others might discuss, debate, and operationalize.

1. **PRIORITIZE | Prioritize Equity** in meaningful and actionable ways
2. **PLAN | Plan for, Zone, and Entitle** more housing construction on infill parcels at higher densities and with greater speed and certainty of outcome
3. **FINANCE | Develop New Financing** strategies to address gaps in capital access that slow the housing development pipeline and create barriers to financial independence
4. **ADAPT | Place Climate Adaptation** at the center of new housing efforts
5. **PROMOTE | Build Public Will** and advance public policies in support of increased housing production

The following pages include background and context for each strategy area, followed by possible action steps for local government, business, advocates, and non-profit leaders to consider. Considerable activity against the five strategies is currently underway. But there is great value in better coordinating these efforts, and there is a significant opportunity to act collectively to amplify those efforts and inspire new action. Through coordination, collaboration, power-sharing, and some modest risk-taking, the hope is that communities can substantially increase the housing supply and choice for all income levels, but especially for low-income and historically marginalized communities.

STRATEGY 1 • PRIORITIZE

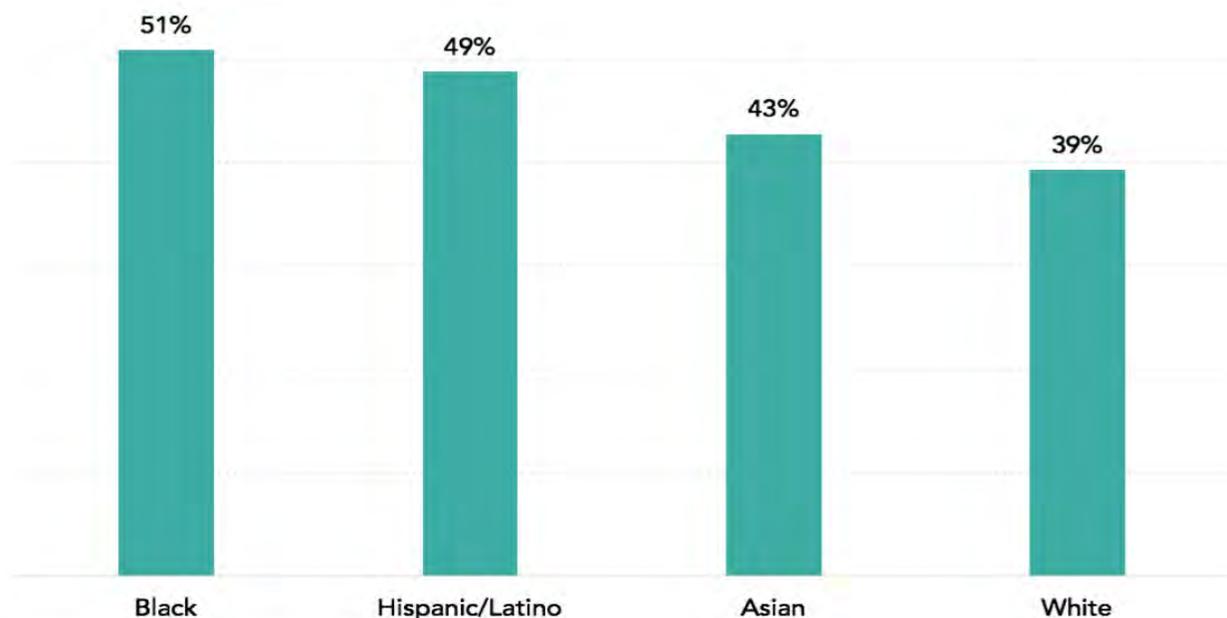
Prioritize equity in meaningful and actionable ways

The single most impactful way to address racial disparities is to rapidly accelerate the production of housing—both rental and ownership—that is affordable by design for all income levels and age groups. Production at an accelerated pace must be accompanied by other steps as well, of course. But those other steps, enumerated here, cannot by themselves correct for the vast inequities of the housing market.

The extent and historic nature of racial inequities throughout the country are becoming better understood by society in general and housing practitioners and advocates in particular. Even before recent racial justice protests and an increasing national focus on the state of racial inequality, public agencies and private companies had been making efforts to incorporate diversity, equity, and inclusion into their programs and policies. With only a modicum of data analysis, race-based income and wealth gaps become starkly evident. Think tanks, policy advocates, philanthropists, and (slowly) governments are shining more light on the conditions and causes of disproportionality and its connection to our nation’s history.

Disasters like fires, floods, or pandemics, shine an even brighter light on failures of our housing systems. The government’s responses to disasters—especially Federal recovery and stimulus funding—rarely help the groups most in need. Homeowners are the primary beneficiaries of most disaster recovery resources, based on formulas that prioritize real estate-based losses.

According to the Bay Area Council Economic Institute, the homeownership rate for Black and Latino families is just 42% and 39%, respectively, compared with 68% for white households. Housing disparities are also evident in the proportion of households by race/ethnicity who experience housing cost burdens.



Source: U.S. Census Bureau, American Community Survey (2018)
Analysis: Bay Area Council Economic Institute

Figure 3: Housing Cost Burden for Sonoma County Residents, by Race

The Federal Fair Housing Act of 1968 was intended to address inequities in the housing system. To this day, units of government and many private business interests are subject to the regulations that stem from that Civil Rights-era legislation. Most housing practitioners agree that the promise of *fair and equitable access to a range of housing options* has not been realized nationally or in California. In recent years HUD had begun to weaken some of the underlying policies and regulations associated with the Act, but recent Executive Order from President Biden intends to restore what had been weakened in the prior administration.

But the law remains in effect, and local government has lead responsibility to assess the state of fair housing, to create community-informed plans to further fair housing and to ensure its public dollars work to advance equity. The State of California goes farther than federal law by compelling greater action on the part of local government under AB 686. The work sounds—and often is—terribly bureaucratic. “*Analysis of Impediments.*” “*Affirmative Fair Housing Marketing Plan.*” “*Consolidated Plan.*” “*Annual Action Plan.*”

These are the documents, with an accounting of local issues, local perspectives, and local expenditures, through which the state and federal governments measure compliance with the basics of the Fair Housing Act and eligibility for funding.

Within Sonoma County, the Cities of Santa Rosa and Petaluma, as well as the Sonoma County Community Development Commission (CDC) (on behalf of the other seven cities and the unincorporated areas of the county), share responsibility for assessing the state of fair housing and creating plans to address barriers and impediments.

Potential Action Steps

- A. Understand the planning cycle for HUD entitlement jurisdictions, and gain familiarity with the local five-year Consolidated Plan, Annual Plan, and the associated Fair Housing elements. Use the mandatory annual public review, update, and hearings process to engage the process and those responsible for the work. (Note that these processes differ based on streams of funding by HUD division, and one plan may not cover all relevant programs.)



Local Spotlight:

Sonoma County CDC applied for and received grants from Kaiser Permanente and the Federal Home Loan Bank of San Francisco in 2019 to augment its fair housing work and create a broader Equity in Housing initiative.

See [CDC's Equity in Housing](#)

- B. Support the City of Santa Rosa and CDC's efforts to improve outcomes by seeking equity-focused grant dollars that can be used to increase capacity and expertise and drive more in-depth and authentic engagement, data analytics, and creation of mapping tools.

- C. Exploit the process steps (assessments, plans, and reports, each of which will have mandatory public review and comment periods) to deeply explore barriers to housing and create actionable investment strategies that the relevant public agencies can operationalize. Assist the local agency in growing its accountability and transparency by making data and reports more accessible.
- D. Look for both place-based and people-based inequities.
 - D.1) Ask for data detailing the geographic distribution of local public development funds and analyze to determine whether those funds are inadvertently concentrating poverty or providing more fair access to neighborhoods of opportunity.
 - D.2) Examine the representation of protected populations in the housing authority voucher and public housing programs and compare that data to community-wide demographic information to understand whether non-whites are accessing assisted housing at proportionate levels.
 - D.3) Advocate for project-basing housing choice vouchers and linking those to other place-based public investments to encourage desegregation.
- E. Help local agency personnel lean on other local, regional, and statewide equity-related work and outcome metrics.
- F. Increase equity, social justice, and fair housing commitments required of those receiving public funding and philanthropic funding. Increase capacity of developers to deliver better results.
- G. Catalyze other units of government—transportation, economic development, planning, etc.—to be accountable for considering fair housing impacts in their programs and community-related investment plans.
- H. Increase frequency and visibility of community-wide fair housing testing; scale-up fair housing training for landlords, realtors, mortgage lenders.
- I. Advocate for more funding for minority homeownership programs.
- J. Facilitate the replacement of aging and unhealthy mobile homes. Encourage reinvestment in existing parks to improve conditions, preserve this naturally occurring affordable housing stock, and enable cooperative ownership structures.

- K. Educate and advocate for consistent use and publication of disaggregated data by public agencies in a manner that can inform more targeted investments of public dollars.



WHO'S ALREADY DOING SOME OF THIS?

Gen H
Los Cien
Health Action Partnership
Sonoma County Community Development Commission
(on behalf of 7 cities and unincorporated areas)
City of Santa Rosa
City of Petaluma
Sustainable Sonoma



STRATEGY 2 • PLAN

Plan for, zone, and entitle more housing construction on infill parcels at higher densities and with greater speed

There are numerous reasons to focus new development activities on infill parcels near transit and to strive for greater density. Facilitating walkable, livable neighborhoods can reduce car trips, contribute to social cohesion, and produce better public health outcomes. Avoiding sprawl reduces costs for public infrastructure, including for roads, transit, water/sewer, and energy utilities. Clean-up of brownfields to make way for new housing reduces exposure to unhealthy air and groundwater. Preservation of open space, parks, and agricultural lands aids retention of unique landscapes and environmental quality and supports California's tourism and agricultural-based economic engines. Perhaps most importantly, thoughtful infill development can reverse long-standing socio-economic segregation by creating new mixed-income housing opportunities in complete communities.

For these reasons and more, the State of California is requiring cities to increase the amount of land zoned for housing in the upcoming Regional Housing Needs Assessment (RHNA) cycle and corresponding local Housing Elements. The Association of Bay Area Governments (ABAG) is charged with developing the metrics and jurisdictional level allocations for Sonoma County and the other nine Bay Area counties. That work remains in process as of this writing.⁹ As cities prepare to rezone to meet higher housing targets, it will be important to do so in a way that advances equity, climate resilience, and other infill goals.

⁹ [ABAG RHNA Process](#)

The promotion of more dense, pedestrian-friendly development types is not an entirely new concept. Sonoma County has adopted “community separators,” and voters have approved urban growth boundaries in recognition of the value of establishing buffers between urban centers.

Unfortunately, some of these plans “baked in” discriminatory practices that perpetuate segregation of neighborhoods by race and income. For example, single-family zoning, minimum lot sizes, and maximum density prohibit the construction of small starter homes and multifamily properties, thus making it harder for lower-income households to rent or own in certain areas. Even as proposals arise to build new housing on infill sites in accordance with adopted plans, neighborhood groups often organize in opposition, impeding progress. Today in much of California, planning commissions, heritage boards, and elected governing bodies face near-continuous pressure to minimize density in the name of “preserving neighborhood character.”

When this view prevails and housing development is stalled, the result is the exclusion of racial and ethnic minorities and lower-income families from the strongest, most well-resourced neighborhoods. As such, it often represents Fair Housing Act violations and thwarts efforts to attain social equity within the community. The consequences of continued exclusion include concentrating low-income residents in neighborhoods with fewer amenities and services that have historically poor health outcomes and educational attainment.

In this context, it is more important than ever to educate and support local boards and commissions empowered with various land-use decisions and to render transparency in their work. By focusing on this part of the process and helping commissioners to see and incorporate long-term equitable housing goals, communities can achieve more balanced neighborhoods, positioned for the future with environmental justice and choice.



Local Spotlight:

A multifamily project in Santa Rosa’s Fountaingrove neighborhood, first proposed in 2012 for 164 apartments, was finally constructed in 2019, containing instead 96 units. The development faced significant opposition by nearby homeowners, as reported in the [The Press Democrat](#) in 2016.

“We’re a very quiet neighborhood and it’s a wonderful community,” said a local resident whose home backs up to the site. “And we’re concerned if the wrong type of element comes in, it won’t be a welcoming one.”

Sonoma County is embarking on an update of its General Plan in the coming months. Santa Rosa and the other eight cities have their own schedules for General Plan and Area Plan updates. These planning processes provide the best opportunity to influence long-term development and land use patterns.



Local Spotlight:

The City of Santa Rosa has made substantial updates and improvements to its planning and zoning activities in the last three years, including offering substantial density bonuses in targeted areas, and offering “by right” entitlements and streamlined permitting for particular types of projects in priority areas. See [Santa Rosa Planning and Economic Development](#).

This planning strategy also speaks to reducing cycle times for all aspects of project entitling. Both the City of Santa Rosa’s and Sonoma County’s land use and entitlement offices have made strides in expediting permitting for select project types, like rebuilding post-fire, adding accessory dwelling units, and for high-density residential in the downtown Santa Rosa core.

Despite notable improvements, some developers believe that more could be done to expedite the process and reduce the uncertainty of the outcome.

Furthermore, some of the smaller cities lack staff capacity and resources to thoroughly analyze and respond to trends or even to keep procedures updated. The result is a patchwork of plans and codes, some of which are based on outdated notions of what makes for optimal community development patterns. Explicitly seeking to achieve mixed-income neighborhoods can promote a higher degree of equity. This may require understanding and supporting the work of vital planning departments.

Potential Action Steps

- A. Ensure that local plans allow for a range of housing types and densities and that they discourage concentrations of either high-end single-family homes or low-cost rental housing.
- B. Advocate for area plans to permit manufactured housing parks as one acceptable type of unsubsidized affordable living option, as well as lower-cost modular housing types.
- C. Encourage streamlined permitting of affordable and mixed-use housing developments when they respond directly to a need documented in the adopted Analysis of Impediments to Fair Housing.
- D. Offer support and public input in favor of new housing entitlements that are located on infill parcels and offer increased density, transit access, and efficient use of public infrastructure.
- E. Educate local planning commissions, design review, and heritage boards on housing inequities resulting from past land-use decisions and codes. Create greater transparency and accountability for the powerful role these groups play by engaging more community members in participating in their work.

- F. Ensure that the General Plan, Area Specific Plans, and other key land use and planning processes undertaken by each city and county have strong, targeted engagement by housing, environment, and social equity advocates.
- G. Work with all cities, counties, school districts, other public agencies, and churches within a region to create and use a single inventory of developable infill land suitable for housing. Prioritize and assist governments in executing efficient disposition processes.
- H. Consider creating an inventory of property tax-foreclosed properties and advocating for repurposing these for affordable housing.
- I. Support inter-jurisdictional coordination of planning processes, recognizing that economic markets including housing do not align with city boundaries and that some jurisdictions need support to advance their planning processes towards more equitable zoning practices. (ABAG will be able to provide free access to consultants through its in-process “consulting bench” procurement.)
- J. Encourage all jurisdictions to join the Renewal Enterprise District.



Local Spotlight:

Sonoma County has had mixed success with disposition of owned property for housing. Although it has yet to secure a viable development plan or buyer for the property it owns on Chanate Road, two parcels previously owned by the Sonoma County Water Agency are proceeding towards construction of affordable rental housing.



WHO'S ALREADY DOING SOME OF THIS?

- Napa Sonoma ADU Center
- Permit Sonoma
- City of Santa Rosa
- 8 other Cities and Towns
- Sonoma County Transportation Authority/Regional Climate Protection Agency
- Urban Land Institute
- Council of Infill Builders
- Association of Bay Area Governments



STRATEGY 3 • FINANCE

Develop new financing strategies to address gaps in capital access that slow the housing development pipeline and create barriers to financial independence

Lack of financing is often cited as a key impediment to housing development. Discriminatory lending practices and bias (intentional and not) by appraisers, underwriters, or others in the credit system slow the flow of capital to borrowers of color and to racially mixed neighborhoods. Financing of affordable housing—distinguishable by deed restrictions that cap income eligibility and rental rates—adds complexity, time, and cost.

This strategy addresses the three overlapping concepts of (A) cost and availability of housing capital for market-rate developments generally; (B) impact of historically biased lending; and (C) complexity of financing for affordable housing.

Market-Rate Housing Finance

In traditional market-rate development, capital sources are debt and equity. Private debt and equity sources have well-tested methods for assigning costs that are based on perceived risk and potential return. These, in turn, are based on market indicators like trends in rents, sales prices, vacancies, population changes, and the local economic base. They are essentially reliant on historical data about the performance of comparable product types. If there is not a proven market appetite for a particular housing type—for example, condominiums in a mid- or high-rise downtown building—then market capital sources assume it may be risky. If more risk is perceived, the lender or investor can either decline to participate, or increase the borrowing costs (interest rate) or required investment returns.

Examples of innovative product types in many communities that could meet emerging housing needs but struggle to secure market-based financing at reasonable rates are:

- Micro apartments
- Single room occupancy rentals
- Accessory dwelling unit rentals
- Any project with limited parking
- Small footprint starter homes
- Manufactured housing (considered personal property, not real estate, by most lenders)
- “Net-zero” homes that utilize emerging materials and technologies for waste reduction, water usage, and energy consumption.
- Quality modular or prefabricated construction technologies

Market-based financing is challenging because these product types either do not have a sufficient track record or are not as economically beneficial as other product types. They may even be untested in certain communities, and thus difficult to gauge how the market would value them. The trick, then, is to consider whether and to what degree some government intervention might be appropriate, even on a limited basis, if it proves a concept in furthering public policy objectives that then frees up additional capital for future transactions. Generally speaking, the government does not subsidize homes that will be rented or sold without price or deed restrictions. Redevelopment-related financing provided some exceptions to this generalization, but that tool was eliminated in California a decade ago. The following Potential Action Steps offer some ways government could influence this part of the housing continuum.

Potential Action Steps: Market Rate

- A. Model a variety of infill market-rate development project types to quantify capital gaps with sensitivity to local cost structures.
- B. Armed with specific modeling information, convene financial institutions to test assumptions about risk tolerance and gain specific feedback about ways perceived risks could be mitigated.
- C. Work with jurisdictions and the business community to catalog resources that could be made available to provide credit enhancement and partially mitigate risks.
 - C.1) Commitments for targeted marketing of prospective new homes to workers that would not qualify for traditional affordable housing properties.
 - C.2) Subleasing, rent guarantees, or block pre-sales to large employers enables them to ensure housing for critical workers.
 - C.3) Medium-term, subordinate gap funding, repayable based on pre-determined cash flow splits.
 - C.4) Partial and temporary loan guarantees that could be tapped if revenue falls below agreed-upon projections.
 - C.5) Dedication of excess infill property—publicly or privately-owned—as a patient equity investment in a project such that the landowner can realize long-term economic gains.
- D. Explore and pilot financing tools through utilities and the State “cap and trade” programs for carbon-neutral and net-zero homes.
- E. Explore financing for projects such as solar with battery back-up as well as microgrids from entities such as the California PUC, local utilities, or PG&E.



Local Spotlight:

The RED is taking a measured approach to creating a Housing Fund that would generate new sources of capital to fill some of the financing gaps identified locally. Aided by Enterprise Community Partners and Forsyth Street Advisors, this fund is in the early stages of development, beginning with capitalization. It has obtained commitments of a \$20 million in loans from the County of Sonoma and City of Santa Rosa. Once the new Fund is capitalized, legal structure and systems for operations and governance will be evaluated and decided.

Impacts of Bias in the Financial Sector

The concept of risk is central to the provision of credit, and since the advent of the modern U.S. banking system, traditional lenders have assumed greater risk with, and therefore extended fewer conventional loans to, homeowners of color and properties in predominantly non-white neighborhoods. The practice, known as “redlining,” essentially eliminated lending in specific geographies within a bank’s service territory, denoted on maps with stark red lines telling underwriters where loans would not be approved.

The Community Reinvestment Act (CRA) was enacted in 1977 largely in response to public outcries over the practice of redlining, and public recognition that although banks denied loans in minority neighborhoods, they continued operating branches and taking deposits in those areas. The Act explicitly calls on financial institutions to meet the credit needs of the communities in which they do business, especially low- and moderate-income neighborhoods. In the decades since CRA’s passage, more lending into otherwise overlooked communities has occurred, but disparities remain evident, and racism pervades many parts of the housing finance system. Furthermore, the Act does not apply to credit unions or to non-bank lenders such as Quicken Loans or Rocket Mortgage, which today make more mortgage loans to individuals than do regulated banks.



The casual racism evident in this industry is breath-taking.

– Andreanecia Morris, Housing NOLA

in a Housing Justice webinar sponsored by Shelterforce and Nonprofit Quarterly. July 1, 2020

Decades of studies show that credit is withheld based on race or ethnicity, even for borrowers with income and credit scores that meet loan criteria. The dearth of conventional lending has given rise to predatory loan products, mostly from unregulated lenders, taking advantage of under-served communities hungry for credit.

Predatory lending imposes unfair or abusive loan terms on borrowers, often by using deceptive and exploitative selling tactics for a loan that a borrower doesn’t need, doesn’t want, or cannot afford. Payday lending is a classic example of predatory credit. When it comes to mortgages, predatory products include above-market interest rates, rate adjusters after a few years, infeasible balloon payments, or combinations of all three. Default rates on loans of this nature are naturally higher, and when such defaults occur, they take a devastating toll on a household’s access to future credit and general financial independence.

There are avenues to advocate for more enforcement of CRA’s core principles and to help vulnerable communities avoid predatory traps, and a few are listed below:

Potential Action Steps: Addressing Bias in Financing

- A. Research CRA examination results for regulated lenders operating in the community. These should be available through the banks or their regulators—Federal Reserve Bank of San Francisco, Office of the Comptroller of the Currency (OCC), or Federal Deposit Insurance



Local Resource:

Fair Housing Advocates of Northern California [Homebuyer Education Resources](#)

National Resources:

1. HOPE NOW Homeowner Preservation [Homeowner Preservation Resources](#)
2. Consumer Financial Protection Bureau - [HMDA Reports](#)
3. Mortgage Assistance during COVID-19 [COVID Mortgage Relief](#)

Corporation (FDIC). Local community actors paying attention to CRA compliance can positively influence engagement by bankers and their regulators.

B. Research mortgage lending data of all firms originating loans in a given service area, and specifically ask for Home Mortgage Disclosure Act (HMDA) data from those firms to shed light on whether the lenders are serving the full array of credit needs in their communities.

C. Ensure the local community has access to an array of reputable personal finance resources, including free consumer credit counseling. Build a strong referral system for social service providers working with marginalized populations.

D. Encourage expansion of homebuyer education and pre-purchase counseling to help prospective buyers

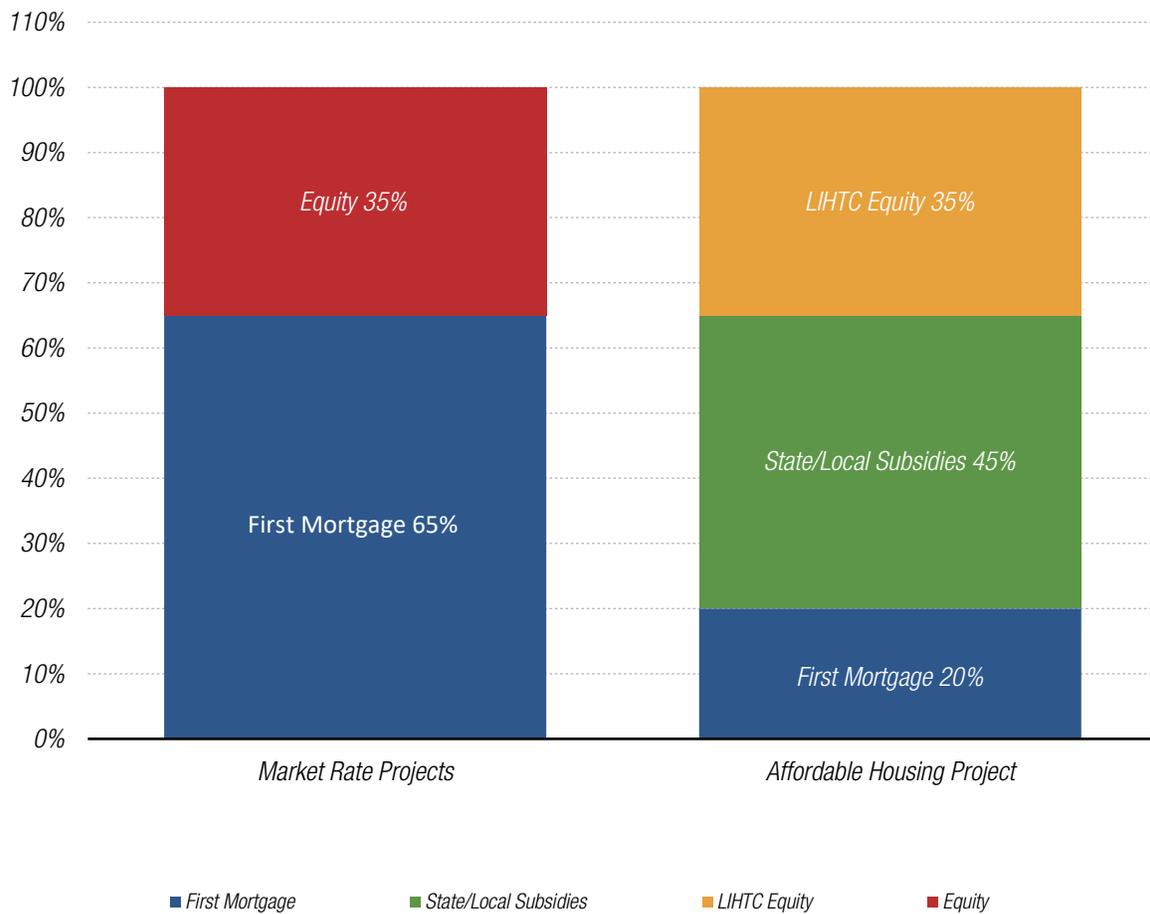
avoid the pitfalls of unfair and high-cost mortgages.

- E. Strengthen down payment assistance and other homeownership financing tools and market them to Black, Latinx, and other households of color to improve access to homeownership.
- F. Support Housing Land Trust Sonoma County’s alternative homeownership model that offers affordable pathways to homeownership and wealth-building.

Affordable Housing Financing Adds Complexity and Cost

For affordable housing projects, private debt and equity represent a much smaller segment of the capital stack than in market-rate development. With deed restrictions limiting occupancy, rents, and sales prices, the “upside” potential of affordable developments is essentially non-existent. Non-market sources—mostly from the government—provide the bulk of the capital necessary for affordable properties.

Figure 4: Comparison of Capital Sources



As noted above, for the better part of the last century, government at all levels has used various tools to build, subsidize, or otherwise incentivize housing production. In California, Redevelopment was a major source of local financing until it was eliminated a decade ago. Today most affordable housing projects depend on the federal Low-Income Housing Tax Credit, a scarce resource allocated on a competitive basis through a complex system. A key aspect of the competition involves demonstrating commitments of other competitive funds, especially from the local jurisdiction. Each public funder brings its own requirements for income targeting and rent levels, and each mandates a certain level of assurance that requirements are being met. In the interest of stewarding public dollars, layers of compliance reporting and monitoring accumulate quickly. Traditionally, these funding sources take the form of grants or subordinate loans. They may be repayable over time from excess cash flow, in which case the local government earns “program income” that can be re-lent to other projects.

Sonoma County and its nine cities have very little of this kind of local “gap” funding, and a 2018 housing bond ballot measure in Santa Rosa that would have provided revenue was defeated. What local government does have is contingent on council or board appropriation, which can be unpredictable and is currently waning. Local funds have historically been allocated through competitive processes that are not coordinated. The overall dearth of local funds makes it extremely

challenging for projects to assemble needed financing or to compete effectively for resources administered by the State of California.

In addition to direct gap funds, local jurisdictions may also provide subsidies in the form of impact fee concessions, land donations, and tax abatements (lowering operating expenses and enabling more debt capacity). In all cases, the public benefit must be demonstrated in the form of a target population to be housed and affordability of rent or mortgage payment.

Potential Action Steps: Affordable Housing

- A. Create a combined affordable housing financing system for all local public investments in affordable housing that leverages expertise and creates a one-stop-shop for developers.
 - A.1) Work with each jurisdiction to maximize investments in affordable housing programs.
 - A.2) Organize to collaboratively compete for all relevant state and federal affordable housing funding sources.
 - A.3) Build expertise for maximum leveraging, deployment of complex financing sources (New Markets Tax Credits, Opportunity Zones), fund management, reinvestment, and responsible long-term asset management.
 - A.4) Use the scale of the system and the commitments to joint action to attract new sources of patient or free capital, such as from philanthropy, national intermediaries, corporate treasuries, and pension funds.
- B. Create a strategy for using publicly owned excess land as an investment in new affordable development so that surplus property disposition processes are used in coordination with a broader affordable housing strategy and set of investment tools.
- C. Consider testing the feasibility of a county- or region-wide housing bond measure.
- D. Work with owners of mobile home parks to assess the risk of park conversion and engage mission-oriented agencies to assist with preservation strategies, including resident ownership.



WHO'S ALREADY DOING SOME OF THIS?

- Renewal Enterprise District
- City of Santa Rosa
- Sonoma County CDC
- Enterprise Community Partners
- Forsyth Street Advisors
- Santa Rosa Metro Chamber



STRATEGY 4 • ADAPT

Place climate adaptation at the center of new housing efforts

The links between climate change and today’s housing crisis are undeniable. Sprawling development patterns have accelerated carbon emissions related to dependence on cars and fossil fuels. Homes built in the wildland-urban interface are at increased fire risk. Wildfires and floods have destroyed thousands of homes in recent history, leading communities to rethink new homebuilding in vulnerable areas.

California’s history of land development has without question contributed to climate change as well as inequitable segregation. Effective environmental preservation work over the past fifty years has ensured the protection of many unique landscapes and waterways. And in some places, it has also contributed to stalemates around where new housing ought to be built.

Indigenous peoples and other communities of color can have culturally specific relationships to land, waterways, and the environment that are often ignored by mainstream environmental advocacy groups. National studies indicate Latinx communities in the United States are more convinced that human-caused climate change is happening than their non-Latinx counterparts. They are also more worried about it, supportive of climate change policies, and willing to take political action. Although nationally, three in four Latinx community members want government and businesses to do more to address climate change, they are less likely to be invited to or feel welcome at policy-making tables dealing with adaptation and stewardship¹⁰. Indeed, there are few examples of strategic alignment between the climate adaptation, social equity, and housing sectors. The natural synergies between the overarching goals of these movements suggest this is an opportunity to accelerate progress.

In 2021, environment and climate change advocates understand that smart housing must be part of their long-term agenda. Alliances are growing between policy experts, aided in part by State policy and funding that explicitly seeks to promote climate-smart housing on infill sites.

For their part, affordable housing practitioners have had mixed success incorporating “green building” practices, with many expressing that such requirements merely add to the cost of already-expensive housing construction. Public Safety Power Shutoffs, which disproportionately impact low-income populations, have served to renew the interest of housing non-profits in issues of energy independence and climate adaptation.

Just as COVID-19 has made plain the depth and consequences of social inequities, disastrous wildfires throughout the state in recent years have made clear that the climate crisis can no longer be ignored as merely a long-term problem to be dealt with later. The inter-connectedness of social, economic, and ecological systems is indisputable, even if society has yet to discern how to use the connections wisely and in service to marginalized people or the planet.

¹⁰ [“Latinos Want Action on Climate Change.”](#) Yale Program on Climate Change Communication, September 2017

Nevertheless, even small actions make a difference to a community's carbon footprint.

Potential Action Steps

- A. Strengthen energy independence financing programs that promote conservation and lower utility bills and make the programs more accessible to low-income renters.
- B. Advance creation of microgrids by piloting mixed-finance tools that blend affordable housing capital stacks with capital available through the energy and infrastructure sectors.
- C. Advocate for changes to zoning codes that minimize parking requirements and incentivize the use of electric vehicle charging stations and car-sharing.
- D. Assemble examples of net-zero and other climate-forward homes to share with appraisers and lenders charged with assigning market value to homes with few local comparables.
- E. Provide community gardens and green space, streetscape and pedestrian improvements, trees, urban trails, bike racks, and bike-sharing, and clotheslines, among other healthy amenities that conserve resources and improve health in new housing developments.
- F. Create incentives for energy retrofits for aging housing stock without burdening multifamily tenants with submetering.
- G. Link energy innovation financing and technology to affordable housing development.



WHO'S ALREADY DOING SOME OF THIS?

Climate Center
Sonoma Clean Power
SCTA/RCPA
Sonoma Water
Sustainable Sonoma
Enterprise Community Partners



STRATEGY 5 • PROMOTE

Build public will and advance public policies in support of increased housing production

Sonoma County's history as a rural, agricultural region with unique natural landscapes has contributed to a vocal if not widely shared public preference for slow and even no growth. As discussed above, one consequence is that long-time residents and neighborhood activists often object to new development. Pressure by anti-growth forces shows up at deliberations and decisions of heritage and culture boards that have a structural bias for the status quo. It also manifests in lobbying and participation at planning commissions and elected governing bodies and even in lawsuits challenging specific development under California Environmental Quality Act (CEQA) based on alleged environmental impacts.

Sonoma County is not alone in experiencing these dynamics. Stories abound throughout California and the nation about the conflict between those who advocate for major structural change in the housing production arena and those who prefer the status quo.

A promising approach practiced in other communities involves focusing on public education, deep community engagement, and taking the long view to build public will for more housing. Gen H was formed specifically to undertake these activities within Sonoma County. This strategy highlights the most important action steps Gen H has planned to tackle the necessary public will-building. Successful implementation will facilitate the kind of long-term planning that can produce balanced neighborhoods over the long run. And by reducing the time required by developers and local government to fight opposition, costs of the all-important land input can be reduced.

For many communities, 2020 was an "all-hands-on-deck" time in our history. Every sector recognizes the fragility of our current systems and structures, and most are eager to assist in lasting solutions. The creation of an ambitious, long-term, and broadly supported housing agenda may be an opportunity to engage non-traditional players and to garner their support through education and participation in envisioning a better future.

Potential Action Steps

- A. Create open, inviting forums that facilitate broad dialogue about the aspirations of community members and leaders.
- B. Build messaging that is tailored to the unique attributes of the community or region and that will resonate with a broad array of people.
- C. Support advocacy through letter-writing, attendance at public hearings, and neighbor-to-neighbor dialogue.
- D. Consider the creation of a long-term campaign that actively listens to and educates people from all walks of life about the benefits of ample housing supply.
- E. Thoughtfully and strategically encourage elected officials at the local and state level to support smart growth housing strategy.

- F. As engagement deepens and the numbers of organizations and people grow, seek avenues to capitalize on their key assets. Primary audiences include:
- Hospital systems
 - Insurers
 - Foundations
 - Employers
 - Environmental advocates
 - Climate adaptation scientists and advocates



WHO'S ALREADY DOING SOME OF THIS?

Gen H
Sustainable Sonoma
Santa Rosa Metro Chamber
Intersections Coalition
Daily Acts
Los Cien
The Climate Center



Conclusion

The development of housing is complex under the best of circumstances in almost any community in the country. The level of complexity in Sonoma County is considerably higher than most because of the extent and nature of natural disasters in recent years, combined with the unique economic drivers of the North Bay housing market. COVID-19 is the latest in a string of unprecedented challenges facing local governments, non-profits, and residents. At the time of this writing, a severe economic recession looms that will further hamstring efforts.

Notwithstanding the somewhat bleak outlook, local actors are resolute; what's remained stable in this otherwise unstable era is the need for healthy, climate-smart, and affordable housing. Groups like the RED and Gen H and others active in M1S stand ready to implement actionable strategies and continue the push for structural changes that can lead to the production of more housing for all income levels.

Any future action will depend on the engagement of a broad cross-section of the community to continue learning about the housing situation and considering what the best, most compelling long-term vision for a sustainable, inclusive and resilient community is. With a clarity of purpose and a shared vision, leaders and activists can consider how best to take forward the ideas, strategies, and tools presented in this Toolkit.

Appendix A: Sources and Additional Reading

The following resources informed the preparation of this Toolkit.

1. [The Color of Law; A Forgotten History of How Our Government Segregated America](#); Richard Rothstein, 2017; Liveright Publishing
2. [Golden Gates: Fighting for Housing in America](#); Conor Dougherty, 2020; Penguin Press
3. [The Elephant in the Region: Charting a Path for Bay Area Metro to Lead a Bold Regional Housing Agenda](#); Heather Hood and Geeta Rao, Enterprise Community Partners; 2017
4. [North Bay Fire Recovery: Building a More Resilient and Inclusive Economy](#); Bay Area Council Economic Institute; January 2020
5. [Housing Needs Dashboard for Sonoma County](#); California Housing Partnership; 2020
6. [Democratizing Resilience & Disaster Recovery: A Roadmap for Community Resilience](#); Enterprise; March 2020
7. [Closing California's housing gap](#); McKinsey Global Institute; October 2016
8. [Sonoma County Resilience Advisory Panel Draft Briefing Book](#); Urban Land Institute; March 2020
9. [Infill Development in Sonoma County—Presentation to the RED Working Group](#); Forsyth Street Advisors; March 2020
10. [Accelerating Infill in Santa Rosa and Sonoma County](#); Council of Infill Builders; November 2018
11. [Sonoma County Community Development Commission Three Year Strategic Plan](#); August 2019
12. [Sonoma County Complex Fires: Housing and Fiscal Impact Report](#); Sonoma County Economic Development Board and Beacon Economics; February 2018
13. [Sonoma County Recovery and Resiliency Framework](#); Sonoma County Office of Recovery and Resilience; December 2018
14. [Oakland at Home: Recommendations for Implementing A Roadmap Toward Equity](#); Oakland Housing Cabinet and Enterprise; 2016
15. Sonoma County Board of Supervisors Housing Workshop; February 6, 2018
16. Sonoma County Fire Recovery Financial Roundtable; Federal Reserve Bank of San Francisco; February 2018
17. Financing a Climate-Smart Recovery; Convening by the Federal Reserve Bank of San Francisco and California Governor's Office of Planning and Research; January 26, 2018
18. "Driving Systems Change Forward; Leveraging Multisite, Cross-Sector Initiatives to Change Systems, Advance Racial Equity, and Shift Power." Urban Institute, July 2020.

Appendix B: MAP OneSonoma Background

MAP OneSonoma Role

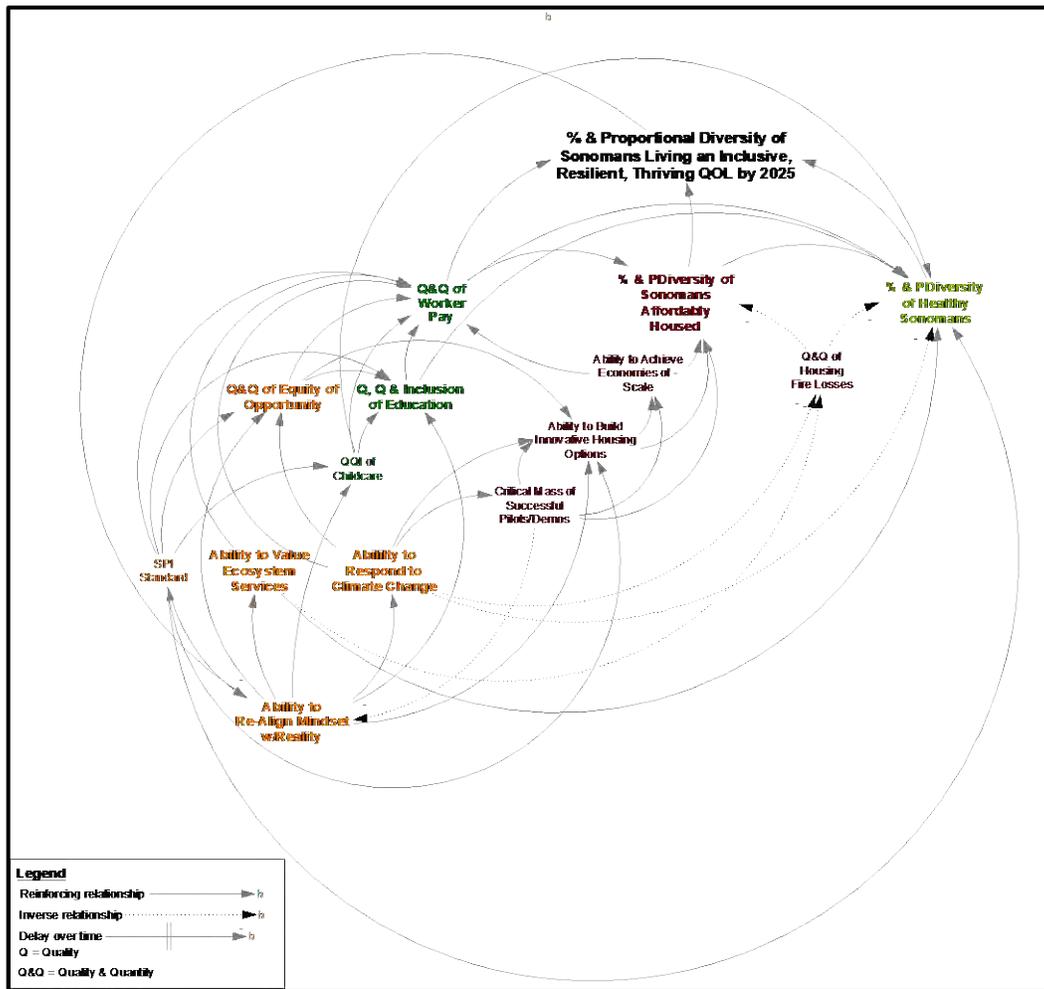
MAP OneSonoma (M1S) is a systems-change initiative that was launched in the wake of the 2017 fires with support from Community Foundation Sonoma County and the William and Flora Hewlett Foundation. The goal of M1S is the creation of a ***prosperous, resilient, inclusive, sustainable Sonoma County where everyone has opportunity to thrive***. Over a three-year period, cross-sector leaders from business, health, education, housing, climate change, sustainability, government, and philanthropy informed the creation of a unique map¹¹ that displays the inter-connectedness and inter-dependence of local systems. The fact that nearly 200 diverse local leaders influenced and shaped the map—provided in full as Appendix B - lends confidence that the identified “levers” reflect Sonoma County’s social-, economic-, political-, and ecological-system drivers.

As with all complex systems-change initiatives, lasting change starts with a shared and holistic understanding of the relationships and inter-dependence of various sectors and a recognition that working in silos will not lead to positive, enduring change¹². Systems change also requires disruption of existing power structures and conventional methods of decision-making by requiring that traditionally marginalized voices have a seat at the design and implementation tables. Other common themes of successful systems change initiatives include encouraging demonstrations to test new ways of doing business; collaboration that entails sharing of resources and power amongst unlikely interests and industries.

¹¹ Map produced by Scott Spann, Principal of Innate Strategies; 2019

¹² “Driving Systems Change Forward; Leveraging Multisite, Cross-Sector Initiatives to Change Systems, Advance Racial Equity, and Shift Power.” Urban Institute, July 2020.

Figure 1: Simplified Strategy Map



Given the pre-fire housing shortage, it is not surprising that *the ability to build innovative housing options* and *the ability of Sonomans to be affordably housed* show up as centrally important in the simplified version of the map displayed in Figure 1. Participants in the M1S initiative and convenings of the past three years repeatedly stress that *housing* must play a central role in Sonoma County’s resilient, equitable recovery. These leaders recognize that the type, location, cost, attributes, and surrounding neighborhood characteristics of new and preserved housing will impact the quality of life, greenhouse gas emissions, community health, educational attainment, access to opportunity, and economic vitality for generations to come. There’s an appetite amongst the M1S cohort to ensure that housing strategies rise to the top and a recognition that without meaningful progress in the housing arena, other recovery and resilience investments cannot fully succeed.

